

Iowa Balance of State Continuum of Care (CoC)

2015 DRAFT Proposed CoC Reallocation Plan

Comments Received

This document includes comments submitted by email by the requested date of Wednesday, September 16, 2015.

Thank you for taking the time to complete this. I believe that most of it really falls in line with what we to accomplish as a state. I still wonder about a cushion on not fully expending a grant in case of staff departures etc.

It seems to really outline the process.

I'll write this up as a formal comment, but here is my first question/concern and you can have some time to mull it over for response. How will all of the potential reallocation (either voluntary or involuntary) effect the project rankings? I believe I heard from projects considering voluntary reallocation that they want some kind of assurance that the CoC will "back them up". Does this mean that any project that agrees to voluntary reallocation or new projects resulting from involuntary reallocation go to the top of the ranking?

This is concerning for me (ICA) because although we wrote an application that received the highest score, we could, through no fault of our own end up significantly down in the rankings in an effort to promise "backing" to projects who voluntarily reallocate – regardless of their performance history – or lack thereof – for their newly proposed project.

From the information received so far from HUD about the competition, there will indeed be tiered ranking again. Although they have stated that there is "enough money" for the renewals, they have also made it clear that where you rank will potentially affect your funding. This is from the most recent SNAPs In Focus:

"A More Competitive Process - We believe that we have enough funding for FY 2015 to award all renewal projects, however, we are still implementing a tiered funding process. **Tier 1 will be a smaller percentage than in years past, and the process for selecting projects from Tier 2 will be much more competitive.** Whether a project is funded will depend much more on the performance of the CoC and the qualities of the project. CoCs should be evaluating their

performance and identifying lower priority projects that can be reallocated as well as planning new permanent housing projects that can be created through reallocation or bonus.”

I’ll read through the plan again, but I didn’t see any explanation about how ranking would be handled, and then subsequently where projects would/could be placed in the tiers. Anyhow...those are my first thoughts. I’ll be sure to submit formally. Have a great weekend.

I had a specific question regarding the CCIA Home to Stay funds. The grant is still in process to transfer to HACAP from CCIA and I would expect it to be finalized over the next 30 days or so. It is currently in process with headquarters though so it is hard to estimate a time frame. The current plan reduces the grant from \$76,563 to \$48,365. Since HACAP will be a new administrator of the grant we don’t believe the program should be penalized until our agency has time to make adjustments to the way the program was previously administrated. Is that something you wish to be submitted as a comment to the reallocation plan or is it more appropriate to address during an appeal process?

I have three comments.

Putting the Cart Before the Horse

There is need for a comprehensive re-allocation process that supports the Balance of State CoC’s strategic planning efforts. The referenced U.S. Interagency Council on Homelessness document *Creating Effective Systems to End Homelessness: A Guide to Reallocating Funds in the CoC Program* suggests that strategic planning begin with the identified needs of the homelessness in the community and then aligns its portfolio of housing projects and services with those needs. In this case, community refers to the 96-county community or region represented by the Balance of State continuum and not a singular town, city or county.

This clarification about community is significant as it shapes the re-allocation conversation. For example, if the BoS CoC identifies, hypothetically speaking, an under-performing project to defund located in Wayne County, it needs to be able to use its strategic plan to identify gaps of service within the BoS: for example, unaccompanied transition-aged youth (18-24) living in counties along the Mississippi River are unable to maintain housing. It would also need to look at any emergent gaps of service, resulting from the closing of an under-performing project. Which is to say, that the CoC would need to balance the impact of a new project with a service area in eastern Iowa’s impact upon the reduction of homelessness amongst transitioning youth

and the negative consequences when the Wayne County project closes, impacting families with children experiencing chronic homelessness.

This is a paradigm shift on how we need to think about our collective service area and the CoC's system to end homelessness. Re-allocation should not be performed annually just because Papa HUD tells us to do it. Re-allocation is a systemic tool along with a coordinated entry system and the annual Point-in-Time count to improve our ability to end homelessness in Iowa. These tools provide insight into the needs of homeless Iowans or provide means to effectively manage the available resources to resolve those identified needs. More importantly, these tools should inform and support a strategic plan to end homelessness in the BoS CoC. Without strategic plan in place, re-allocation may be a dangerous process that ultimately undermines the capabilities of our community's housing service providers and weaken the willingness of providers to work together to mutually support the people we serve.

If we are going to reallocate funds from existing projects, we need to clarify the value of reallocating funds beyond the simple notion that HUD expects to see reallocation for the sake of doing reallocation. The USICH document *Creating Effective Systems* (pp. 2-4) referenced in the DRAFT 2015 Iowa BoS CoC Reallocation plan underscores my comment. Since some may have not read the interagency document, I list several of its key elements related to the purpose of reallocation:

- "One of the most important tools by which CoCs can make strategic improvements to their homelessness system." (p 2)
- "Through reallocation, CoCs can create, evidence-informed projects by eliminating projects that are underperforming or are more appropriately funded from other sources." (p 2)
- "CoCs should strive to match their inventory of projects to the needs of people experiencing homelessness within the CoC...Through reallocation; the CoC can correct [an] imbalance in their inventory to ensure that they have adequate capacity to serve the people experiencing homelessness in their community." (p2)
- "The reallocation process specifically applies to projects funded through HUD's CoC program. However, communities should assess all the projects in their inventory, regardless of how they are funded, and decide which ones are most needed and which ones should be shifted to other purposes." (p2)
- "CoCs' decisions regarding what to reallocate should be guided by the CoC's multi-year strategic plan." (p.4)

In the subsequent section of this guidance document (pp 5-9) it outlines a strategic planning process that assesses the needs of the homeless populations within the community and those needs relative to each housing program type. The document provides several examples of how this can be done to emphasize that strategic analysis and planning need to inform reallocation decisions. Specifically, they assert:

- "CoCs should base decisions about reallocation on a thorough analysis of the needs and gaps in housing and services in their community." (p5)

Thinking about reallocation before we have a solid strategic plan in place is a bit like putting the cart before the horse. Re-allocation is a valuable tool to utilize Iowa's dollars that target the elimination of homelessness more effectively, but before we start such a process we need an informed understanding of what new projects will improve our ability to coordinate services to address homelessness in Iowa. We need a strategic plan that considers all funding that addresses the needs of homeless and near homeless populations to target the use of any re-allocated funds. (If the next NOFA allows for the collaborative applicant to apply for planning funds, it is my hope that they consider the development of a strategic plan for the Iowa Balance of State.)

Underperforming Projects

The DRAFT 2015 Iowa Balance of State CoC Reallocation Plan establishes a vehicle for the involuntary reallocation of funds for underperforming projects, and a voluntary process that aligns with HUD's vision that communities analyze their portfolio of grants to determine if there is the right mix of housing and services. HUD desires and open and competitive process to foster new, evidence-informed projects that will promote the end of homelessness. It makes sense that underperforming projects would be asked to re-compete with other projects that could serve the needs of Iowa's homeless populations more effectively. A process for fund competition for situations related to underperformance is used by other Federally-derived funding opportunities. Head Start programs may need to re-compete after a failed peer review; conversely, though, projects that meet expectations move into a five-year non-competitive grant cycle (think Tier I funding for the CoC, but for a longer time period). It would be reasonable to have CoC funded project undergo a formal project review. When found to be underperforming, a decision could be made upon a complete or partially reallocated for new projects. Standard performance criteria would need to be established – standards based upon HUD program standards or the project's management capability to spend down the grant, for examples – and then assessed. While grant scores may serve as a proxy for program performance, scores derived from a grant review may also be more about the quality of the grant writer than an accurate measure of program performance based upon the project's ability to assist homeless people move out of homelessness. If we are going to begin a reallocation process to improve the CoC's inventory of projects to meet the needs of homelessness, I would prefer to see an evidence-informed process based upon project performance and not the use of a grant application score.

If we are going to go through the process of re-allocation and the potential appeal processes that may follow, we need to articulate where and what the needs are within the CoC; this point signifies the importance of the strategic plan. Could those funds be used for the setup of a virtual coordinated entry system that worked statewide? Could they be used to develop a rapid rehousing project in an underserved area of the state? New evidence-informed projects could be either of these, but what they are needs to begin with understand with the needs of the community.

Voluntary “first rights” and competitive fund allocation

I am not sure how “first rights” to re-allocated funds fits within a CoC competitive process; such concepts seem to contradict each other. That being said, any organization that recognizes that a different housing service intervention may better serve the local homelessness population (when HUD will not allow an amendment to their existing project) needs to be recognized for wanting to provide an innovative solution to local needs. For a high performing project to voluntarily decide to change their intervention strategy, re-compete and risk the loss of funding means that they are truly focused on the needs of the people they serve. We want this kind of provider.

If a CoC strategic plan guided this process, I believe that this would be a much more intuitive process, and we would be rewarding high performing organizations that dare to change because it will mean a better community for all. We do not want to be eliminating CoC funds for projects that are addressing real needs in our community and in the process create a gap of service within that same area of the community. If the concept of “first rights” is linked to the service area or the homeless population served by the project voluntarily re-allocating its grant, we may be able to align these contradictory ideas. Unlike involuntary reallocation, this situation is not about project quality, but HUD’s restrictions on grant amendments.

We need to manage a process to promote innovative solutions by the providers that serve the homeless; not create fear of program collapse because of a funding cut. The providers that do good work at resolving homeless concerns are our primary asset within the Balance of State CoC for ending homelessness. Our systems need to pull them together so that we can build a solid network that services the homeless needs of a 96-county community; we do not want a reallocation system that will create unease between providers when we need them to come together.

Involuntary Reallocations:

- *I support the recommendation to fully reallocate the lowest scoring project.*
 - **Subtotal reallocated: \$80,160**
- *I support the recommendation to reallocate all unspent funds.*
 - **Subtotal reallocated: \$71,180**
- *I recommend to fully reallocate the lowest scoring TH projects and to reduce by 20% the lowest scoring PH project.*
 - **Subtotal reallocated: \$227,490**
- *I recommend to fully reallocate the lowest scoring SSO project and to reduce by 20% the TH projects in this threshold.*

- **Subtotal reallocated: \$54,711**

- All funds freed through involuntary reallocations may be made available for one or more new projects. If no new project applications are submitted, funds will remain available for the original renewal projects. **I agree.**
- Project applicants that are subject to partial involuntary reallocation must develop a plan to continue with their renewal project, with the reduced level of funding. This includes HUD contract compliance for numbers of persons served and the types of services provided. It may be possible to seek a contract amendment from HUD for some changes; applicants should contact their HUD representative to discuss any options for amendment. If the reduction in funding will result in loss of assistance for persons currently served by the program, the applicant must develop a transition plan for these persons. Any concerns should be brought to the CoC. Alternatively, the applicant may follow the process described below for Combination Voluntary and Involuntary Reallocation. **I agree.**

- **Total funds available through involuntary reallocation for new project(s): \$433,541**

Voluntary Reallocations:

- *Wholly voluntary reallocation: I support the recommendation as proposed on all counts.*
- *Combination voluntary and involuntary reallocation: I support the recommendations as proposed, however, given the changes recommended above.*

Recommendation for a Reallocation Plan:

I support adopting a reallocation plan that emphasizes moving away from project types that are no longer competitive. Many continuums have entirely zeroed out funding for SSO projects and taken a more aggressive approach to requiring TH to reallocate. These changes would make our consolidated application more competitive.

I wanted to email you regarding the information we got on the reallocation of funding for Opening Doors and ask if there will be a chance to discuss this at our next council meeting on the 18th:

- *Partial reallocation of 10% for score:* Reallocate 10% of funds from the next-lowest-scoring three renewal projects, with these projects retaining 90% of their previous funds. This includes projects scoring 75, 76, and 78 points out of 100.
 - *Projects impacted:*
 - *HACAP Chronically Homeless SSO: \$2,725 of \$27,259*
 - *Salvation Army, Men's TH: \$9,424 of \$94,241*
 - *Opening Doors, Maria House TH: \$4,302 of \$43,025*
 - **Subtotal reallocated: \$16,451**

My biggest question is regarding the scoring to show how much funding will get reallocated. In our appeal we had gotten:

7/10 for 12) Exits to Permanent Destinations. Our community as a whole has a lack a quality affordable housing. Yet in the letter we received from the ICH, it was voted unanimously that we not get the full amount of points. We are working with a group on creating a permanent supportive housing project, so I am unsure of why we still did not receive full points?

1/2 for 13) APR. I am unsure why we did not receive full points? When the grant was submitted, our APR wasn't even due yet. I stated when our APR year ended, that it would be submitted on time and it was. There is not much else that can be done with this, but it was voted unanimously that we would have a point deducted?

1/2 for 16) HUD Grant Monitoring. I am unsure why we did not receive full points for this? It is not our fault that HUD hasn't monitored our grant more often. We were told that since our grant isn't a very big one, that we would probably not be monitored very often. Why should we get penalized for something HUD hasn't done? It was stated from the ICH that clarification for future applications and rubrics would be beneficial to make scoring as objective as possible. Should we be docked a point because we have not been monitored?

7/10 and 8/10 for 20) Spending History. We have always expended 100% of our funding and this goes with 16 as well regarding the clarification. For that reason, we should receive 10/10 points. This just doesn't make sense that we are docked points when we do spend all of our funding.

2.5/5 for 15 regarding representation on Iowa Council of Homelessness. Opening Doors usually has two to three people present at all of the IA Council on Homelessness meetings; in fact, there was only one meeting over the past few years where no one was able to attend because of a required training. We should receive full 5/5 for this question.

As you see above the loss of these points has put us at risk of losing 10% of our funding. The HUD funding we receive is small anyway, in comparison to some of the other state renewals,, so losing even a portion of this funding is concerning. Losing 10% of our funds will be detrimental to our programs and the participants we serve. Please let me know if there is anything we can do in order to change this outcome.
